

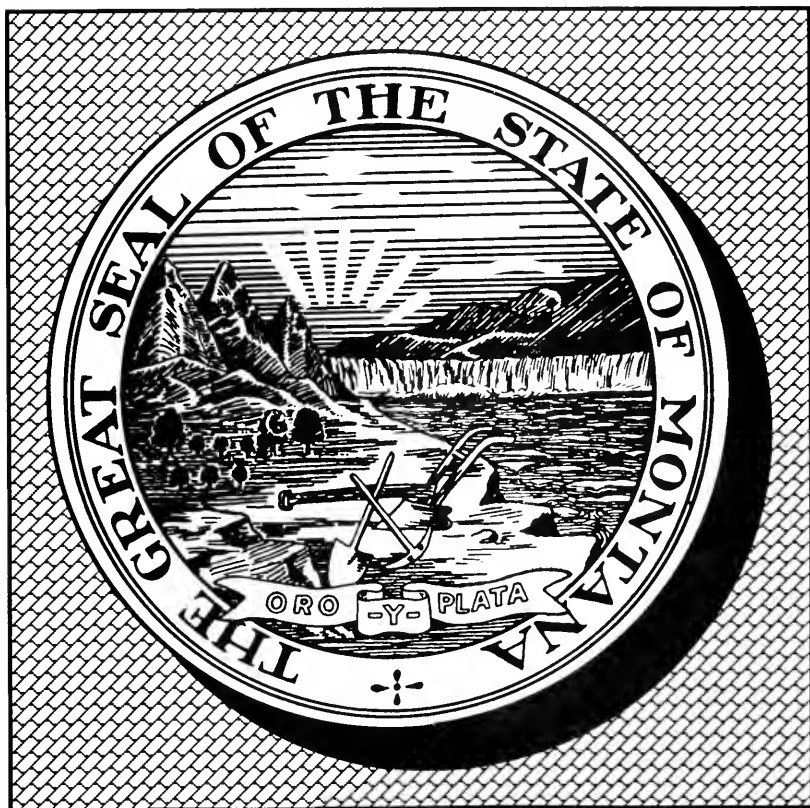
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LEGISLATIVE REORGANIZATION AND IMPROVEMENT COMMISSION



A report to the Fifty-First Legislature
November 1988

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LEGISLATIVE REORGANIZATION AND
IMPROVEMENT COMMISSION

A REPORT TO THE
FIFTY-FIRST LEGISLATURE

Prepared by

Roland D. Pratt, Executive Director
Marcene Lynn, Administrative Assistant

LEGISLATIVE REORGANIZATION AND
IMPROVEMENT COMMISSION
Room 312-A, State Capitol
Helena, Montana 59620

November 1988

Commission Membership

Legislative Members

Sen. J. D. Lynch,
Chairman

Sen. Gary Aklestad

Rep. Robert Marks

Sen. William Norman

Rep. Dennis Rehberg

Rep. John Vincent

Public Members

Roger Tippy,
Vice-Chairman

Joy Bruck

Kay Foster

John Lahr

Ed Smith

Mike Voeller

Legislative Reorganization and Improvement Commission Staff:

Roland D. Pratt, Executive Director
Marcene Lynn, Administrative Asst.

Acknowledgement: A special thanks to the Montana Legislative Council staff for all of their help and assistance.

SUMMARY OF RECOMMENDATIONS

I. Bills Limitation and Deadlines

Accept the concept of a bill limitation.

Adopt a bill limitation to include the following points:

- (a) Prior to December 5, legislators may have unlimited drafting requests for bills or resolutions;
- (b) After December 5, there will be available a bank of 1,050 drafting requests. This would allow each legislator seven bill drafting requests of which a minimum of two must be made before the session convenes. If any legislator does not use his seven requests, he may give any of the remaining to other legislators.

Adopt Dec. 10 deadline for agency bill drafting requests for an incumbent administration; deadline for a new administration be agreed upon by the leadership of the House, the Senate and the governor.

Establish deadlines for the drafting and the introduction of appropriation bills.

Adopt a joint rule requiring bills to be introduced no later than five legislative days before the transmittal deadline.

II. Appropriations/Revenue

Eliminate the exemption for revenue and appropriation bills from

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Note: A complete text of the LRIC's minutes and other exhibits are available on request.

present limitations in the rules. (This would include all bills except standing committee bills.)

Establish a joint committee which would adopt a base revenue estimate:

- (a) Estimate figure to be used by the Legislature;
- (b) Figure to be submitted by 14th legislative day;
- (c) Committee to be formed by Nov. 19 and will meet subject to call of chair.

Recommend to the leadership reduction of the number of members of the House Appropriations and the Senate Finance and Claims committees.

Reduce the number of appropriation subcommittees from five to three to be categorized as follows:

- (a) Institutions and Human Services;
- (b) Education and Commerce;
- (c) General Government, Highways, and Natural Resources.

Require House Appropriations and Finance and Claims committee chairmen and vice-chairmen to establish consistent operating cost assumptions for all appropriations subcommittees.

III. Legislative Changes

Require a two-third's vote by committee for committee bill instead of present three-fourth's vote requirement.

Require a two-third's vote to overturn an adverse committee report.

Recommend to leadership to reduce the number of standing

committees in the House and the Senate.

Eliminate positive action on a bill that has died on second reading.

Allow leadership of both houses to determine when additional breaks should be taken during the session.

Request all committees and subcommittees to hold executive session as soon as possible following hearing on bill or section of bill.

Give presiding officer of each house the option of referring amendments to a bill upon return from the other house to the appropriate committee for review prior to floor debate.

Issue telephone cards to all members of the Legislature after the start of the session. Cards to be retained for the duration of a legislator's term in office.

Recommend legislation to change legislative compensation from daily to weekly.

(a) Include majority and minority leaders of each house as a paid position similar to the presiding officers of each house.

(b) Increase the leadership's per diem to \$5.00 per day.

IV. Fiscal Notes

Provide an appeal process for review of fiscal notes by LFA on request of a bill sponsor or other legislator.

Implement formal procedure for request of fiscal notes when amendments substantially change the bill.

Inform committee chairmen to request amended fiscal notes through the leadership to the budget office.

V. Agency Reorganization

Recommended legislation to establish a 4-member leadership committee and define duties.

VI. General

Consent Calendars

Earmarked Revenue Accounts

VII. Legislation

Legislative Agency Reorganization

Legislative Compensation

HISTORY

The Legislative Reorganization and Improvement Commission (LRIC) was created by the 1987 Legislature when it passed House Bill No. 702. (Exhibit No. 1) The charge given to the Commission is as follows:

"The Commission shall make a detailed and thorough study of the legislative branch of state government and of the reorganization thereof. For this purpose the Commission is authorized to secure directly from any legislative or executive agency, board, or Commission or from any independent organization any information, suggestions, estimates, and statistics, and each such agency, board, Commission, or organization shall furnish such information upon request made by the chairman of the Commission."

The Commission was further instructed to prepare a written report and have it available to the members of the 51st Legislature no later than December, 1988, or to any special session of the Legislature prior to December, 1, 1988. It was decided by the Commission to have the report available to the members prior to the convening of the caucuses. Many of the recommendations in this report will require the concurrence of the caucuses for their implementation.

MEETINGS

The commission members were appointed the first week of January, 1988, and the first commission meeting was held on January 16, 1988. Priority areas were identified and became the agenda items

for subsequent commission meetings. (Exhibit No. 2) The hiring of an executive director was authorized at the April 8th meeting, and Roland D. Pratt was hired as of May 1, 1988.

The Commission has held nine full committee meetings and numerous subcommittee meetings during this period. All interested parties of the Legislature and the general public were invited to attend the meetings and/or submit written comments.

Survey and Recommendations

One method of gathering information concerning the priorities list developed by the Commission was a questionnaire that was mailed to all present legislators. This questionnaire covered the concept of bills limitation, committee reorganization, legislative improvement, deadlines and a rating of legislative agencies. (Exhibit No. 3) To insure as large a number of responses as possible, the Commission used the Interim publication of the Legislative Council to encourage legislators to return their questionnaires. The Commission also used the Interim to notify all legislators and interested parties of action taken during each of its meetings.

The recommendations of the Commission included submitting two pieces of legislation and 23 other recommendations that will require action by the legislative caucuses. In general, these recommendations are in the areas of bills limitation and deadlines; committee protocol and procedures; legislator compensation; revenue estimating; and committee structure.

I. BILLS LIMITATION AND DEADLINES

Background

The bills limitation concept is not new in the Montana political arena. The 1977-78 Legislative Improvement Committee was charged with finding a procedure to limit the number of bills, and the 1979-80 Improvement Committee recommended a five-bill limit. During the 1987 session, legislators were limited to five bills after the start of the session.

It was the feeling of the members of LRIC that one of the prime motivators behind passage of House Bill No. 702 was the desire by the legislators to have some form of bills limitation. It was found in the study of the literature that the three most common control strategies used are:

- (a) The use of deadlines to encourage early introduction of bills.
- (b) Proposed or short-form bills.
- (c) Specific limits on the number of bills a members may introduce.

Deadlines

Deadlines are the most common of the bills limitation mechanism. In all, 79 legislative bodies established a deadline for the introduction of bills. Of that number, 46 legislative bodies also established cut-off dates for bill drafting requests. Those states that are successful in the use of deadlines follow four basic principles:

- (1) The deadline schedules tend to be more detailed.
- (2) Introduction deadlines are usually earlier in the session than those in other states.
- (3) The deadlines allow adequate time for committee study yet provide regular check points to guide the work.
- (4) The deadlines are rigorously enforced by the legislative leaders.

Short-form Bills

The term short-form or skeleton or proposed bills refers to legislation which is introduced as a brief, one or two paragraph description or concept written in laymen's terminology. The Commission discussed this proposal but made no recommendations.

Numerical Limits on Bill Introductions

The absolute numerical limits of bill introductions have been tried in a number of states with varying degrees of success. It has been found that these limits often are circumvented and proved to be difficult to enforce.

Other methods used have been to allow unlimited prefiling but limit the number of bills filed after a session convenes, as was used in the 1987 legislative session. Another method is to limit the number of bill drafting requests an individual legislator can use per session.

RECOMMENDATIONS:

-- To accept the concept of bills limitation and to recommend the following:

(a) Until Dec. 5, 1988, legislators may request the drafting of any number of bills and resolutions so long as the request contains enough information to permit the bills or resolutions to be drafted;

(b) After Dec. 5, 1988, there will be available a bank of 1,050 drafting requests. This allows each legislator to request a minimum of seven bills and resolutions, at least two of which must be requested before the session convenes. If any legislator does not use his seven requests, they may be used by a legislator who has already requested seven bills and resolutions.

In an effort to provide safeguards for the minority, the Commission recommended that a "bank concept" be used in conjunction with the bill drafting request limitation. This "bank concept" would allow each legislator to receive seven bill drafting requests. If the legislator chose not to use all of his seven requests, he could give his/her remaining requests to another legislator of either house.

The Commission further recommended that the present three-quarters vote required for introduction for a committee bill be reduced to two-thirds thus allowing a legislator further opportunity for introduction of a bill.

After much discussion, the Commission recommended a series of steps to be taken that would place a limit on drafting requests. The Commission realized that to implement bills limitation during the 1989 session, they would have to give some consideration to those members who would have already exceeded their proposed recommendations. For this reason, they amended their original recommendation to take into consideration those problems. Under the present recommendation, there would be unlimited filing requests until December 5th. After December

5th, there would be available 1,050 drafting requests. This allows each legislator to receive a minimum of seven drafting requests. They further recommended that at least two of these requests must be prefiled and a maximum of five can be introduced after the session convenes.

The Commission further recommended that there be a seven bill drafting request limitation for the 1991 session. This recommendation includes the stipulation that a minimum of two requests must be filed prior to the session convening.

-- Adopt Dec. 10 deadline for agency bill drafting requests for incumbent administration, and that the deadline for a new administration be agreed upon by the leadership of the House, the Senate and the governor.

This recommendation is to allow the Legislative Council time to draft agency requests and to allow the staff to be free to concentrate on legislator requests that have historically come in the last few days prior to the commencing of the session.

-- Establish deadlines for the drafting and the introduction of appropriation bills.

This recommendation would relieve the last-minute filing of bills which many times contributes to the "log-jam syndrome."

-- Adopt a joint rule requiring bills to be introduced no later than five legislative days before the transmittal deadline.

This recommendation would relieve the last-minute filing of bills which many times contributes to the "log-jam syndrome" and would give the public adequate notice of committee hearings.

Conclusions

It was the consensus of the Commission that the use of deadlines and introduction limitations and drafting limitations provided the best mechanism for the leadership of the Montana Legislature to control the workload in combination with a restraint by the members of the Legislature. The Commission did note that the Legislature over the past five sessions has shown its willingness to exert control over bill requests but felt that the recommended measures were necessary to continue this improvement. (Exhibit No. 4)

The primary concern of the Commission was to have an organized control of the flow of legislation and provide a means for regulating the use of session times to make it as productive as possible. These mechanisms of bills limitation do have procedural advantages because they help to:

- (a) regulate and manage the flow of work throughout the session;
- (b) manage end of the session "log jams";
- (c) reduce the number of "hero" bills going through the system;
- (d) control the amount of legislation entering the process;
- (e) provide members with means to avoid constituent and lobbyists' requests for legislation.

The greatest disadvantages of these procedures appear to be the time and work demands placed on drafting staffs at the start of the session. A large number of bill requests still come in shortly before the cut-off dates placing greater demands on the

staff. In the literature, none of the legislative bodies have found a solution to this problem.

Another disadvantage is the philosophical question of restricting members' rights to proposed bills and carry out their legislative responsibilities. Generally, however, the states with limitations have not heard this complaint from members. The Commission attempted to solve this problem with the bank concept.

While any Legislature would find these mechanisms helpful, the ultimate success of each depends first and foremost on the role of leadership, both formally and informally in managing the overall process. Strong leadership control is necessary to ensure limits are followed and deadlines are enforced. Another factor is the individual legislator's ability or desire to take on the responsibility of control.

II. APPROPRIATIONS/REVENUE

Background

The operating budget of the state of Montana includes all of the funds necessary to administer state government and deliver state services. Under the present system, the governor is required by the constitution to submit a budget to the Legislature by a day certain. Included in the budget is the revenue necessary to provide those funds needed to administer state government. The Legislature then refers this budget to the House and Senate appropriations committees. The appropriations committees, in turn, refers sections of this budget to the appropriations subcommittees.

In conjunction with the budget submitted by the governor, revenue and appropriation projections are submitted by the Legislative Fiscal Analyst. The committee and subcommittees compare these

two documents, and in conjunction with hearing data, submit a finalized budget to the Legislature. This type of a system is followed in a majority of states. (Exhibit No. 5)

The major concern of the Commission was in the area of revenue estimating. It was their opinion that the present system does not allow for a unified revenue estimating system. Their major concern was that there does not seem to be a single revenue figure that is agreed upon by the Legislature, the governor's office, or the general public. The Commission, after meeting with the leaders of the appropriations and taxation committees of the House and Senate, proposed the following:

RECOMMENDATIONS:

-- Eliminate the exemption for revenue and appropriation bills from present limitations in the rules. (This would include all bills except standing committee bills.)

This recommendation is in conjunction with a bills limitation concept and would reduce the number of bills for consideration during the legislative session.

-- Establish a joint committee which would adopt a base revenue estimate.

This recommendation's main thrust is to arrive at an official revenue estimate figure that would be used by the appropriations and taxation committees. This figure could be adjusted during the legislative session, but it would remain the official figure and would result in consistency in revenue projections.

-- Recommend to the leadership reduction of the number of members of the House Appropriations and the Senate Finance and Claims committees.

This recommendation would allow the leadership to make the membership of the House Appropriations Committee and the Senate Finance and Claims Committee of equal size while increasing the number of members on the subcommittees.

-- Reduce the number of appropriations subcommittees from five to three to be categorized as follows:

- (a) Institutions and Human Services;
- (b) Education and Commerce;
- (c) General Government, Highways, and Natural Resources.

This recommendation was made after consultation with present members of the appropriations and taxation committees. It was felt that by reducing the number of subcommittees, the work could be spread out over more members and would allow for a broader view of the budget process. This does not mean that the number of committee members be reduced.

-- Require House Appropriations and Finance and Claims committee chairmen and vice-chairmen to establish consistent operating cost assumptions for all appropriations subcommittees.

This recommendation was made in order to provide consistent figures to be used among all of the appropriations subcommittees. By arriving at a single figure, the opportunity for error may be reduced.

Conclusions

The Commission perceived that the number one problem in the appropriations/revenue area was revenue estimating. They felt that this problem could be eliminated by arriving at a revenue

figure that would be accepted by the Legislature, the governor's office, and the public much earlier in the legislative process. Once this revenue projection was arrived at and the operating cost figures were agreed upon by the appropriations subcommittees the budget process could begin. The total thrust of the recommendations by the Commission is to make the budget process more orderly and to begin the process with a figure that all participants can accept. It is hoped in this manner the Legislature could reduce the public's perception that the budget process is arrived at haphazardly within the last few minutes of the legislative session.

Those recommended changes concerning the Appropriations Committee were based on the recommendations of the legislative members appearing before the Commission. It seemed to be the consensus that these changes would open up the appropriations process and add the element of adversarial proponents to the appropriations process.

The final idea that came out was that there has been too much concentration on individual items rather than on programs. Much of the comments concerning this process were directed to this point. It was felt that more time should be spent on deciding whether or not a program should be funded rather than on whether or not to buy a tractor to mow the lawn.

III. LEGISLATIVE CHANGES

One of the goals of House Bill No. 702 was to look at the present organization of the Legislature and recommend where changes were needed. The Commission undertook this study to examine current procedures and to identify areas where improvements or modifications could be made to strengthen the operations of the Montana Legislature. One of the steps used as

mentioned earlier was a questionnaire sent to all present legislators.

The Commission also requested and received written and oral comments from concerned individuals of the private sector. (Exhibit No. 6--Steve Brown's letter; Association of Counties comments, Common Cause, etc.)

In addition, the commission staff reviewed relevant documents, manuals and reports and gathered background data describing the Legislatures' operations. Legislative procedures used in the other 49 states were reviewed and compared with those used in Montana. Those mechanisms found to be applicable to Montana were recommended. Finally, the Commission examined possible alternative procedures based upon their understanding of the legislative operations and the factors contributing to legislative effectiveness.

RECOMMENDATIONS:

-- Require a two-thirds vote by committee for committee bill instead of present three-fourth's vote requirement.

As stated earlier, this recommendation is based upon making it easier for legislators who have used all of their bill drafting requests to introduce legislation.

-- Require two-third's vote to overturn an adverse committee report.

This recommendation came as a result of frustrations expressed by the public and legislators at the difficulty of killing a bill.

-- Reduce the number of standing committees in the House and the Senate.

This recommendation is based on the information received from past and present members of the Legislature. It was felt that by reducing the number of committees, more members could be appointed to Class I committees.

-- Eliminate positive action on a bill that has died on second reading.

This action would speed up the legislative process.

-- Allow leadership of both houses to determine when additional breaks should be taken during the session.

This action was taken based upon the results of the survey and on comments by legislators concerning the pressure-cooker atmosphere inherent in the legislative process. It was felt that the leadership had the best grasp of the temperament of the whole Legislature and could reduce tension and anxiety with carefully placed breaks.

-- Request all committees and subcommittees to hold executive session as soon as possible following hearing on bill or section of bill.

This recommendation was based upon comments received from the private sector. They felt that in many instances it took the committees much too long to hold executive action on bills that they had heard.

-- Give presiding officer of each house the option of referring amendments to a bill upon return from the other house to the appropriate committee for review prior to floor debate.

This recommendation would allow for a preliminary review of amendments to one legislative body's bill made in the other

legislative body. This review could reduce the amount of floor debate, and therefore, speed up the legislative process.

-- Issuance of telephone cards to all members of the Legislature after the start of the session. Cards to be retained for the duration of a legislator's term in office.

This recommendation came from legislators stating it worked a hardship on many of those who had to rely primarily on the telephone as their means of contacting constituents and other members of the Legislature.

-- Recommend legislation to change legislative compensation and add majority and minority leaders to paid positions and increase leadership per diem.

See section 7--Recommended Legislation.

Conclusions

A great deal of the Commission's time was spent in looking at the functions of the Legislature. At the same time that the Commission was investigating the legislative procedures and rules, the House Rules Committee and the Senate Rules Committee were working on many of the same problems. Many of the recommendations of the Commission are incorporated in the revised rules that will be submitted by the House and Senate Rules Committees. Those recommendations not covered by either of these committees could be placed in the joint rules. Again, the Commission would like to point out that acceptance of these recommendations must be adopted by the House and the Senate.

IV. FISCAL NOTES

Background

Fiscal notes have been required on all bills having an effect on the revenues, expenditures, or fiscal liability of the state, county, or municipality (MCA 5-4-201). The statutes further state that fiscal notes may also be requested by a committee or a majority of the members in the house in which the bill is to be considered or the sponsor through the presiding officer. It was noted by many who submitted responses to the Commission that the problem with fiscal notes was not necessarily the original fiscal note attached to the bill, but was with appealing that fiscal note when amendments substantially changed the content of the bill. It was further noted that fiscal notes can substantially affect the outcome of the bill.

It was noted during testimony that there is not a formal procedure for requesting changes or amendments to fiscal notes. Members of the Commission met with legislative agency directors to discuss this problem. The recommendations from this meeting were adopted by the full Commission at a subsequent meeting.

RECOMMENDATIONS:

-- Provide an appeal process for review of fiscal note by the LFA on request of a bill sponsor or other legislator.

It was the opinion of the Commission that under the existing fiscal note policy, there is no procedure by which a sponsor or a committee chairmen may ask for a review of a fiscal note submitted by the budget office. The procedure recommended would allow the LFA office upon the request of the bill sponsor or other legislator such as committee chairmen to review, and if need be, recommend changes in the fiscal note.

-- Implement formal procedure for request of fiscal notes when amendments substantially change the bill.

The Commission requested that its staff and members of the Budget Office, Legislative Council, Legislative Fiscal Analyst, Legislative Auditor, Chief Clerk of the House, and Secretary of the Senate meet to discuss fiscal note problems. (Exhibit No. 7) The results of that meeting are contained in this recommendation. Either the chairmen of the committee or the sponsor of the bill may request through the presiding officer that a revised fiscal note be attached to a bill because of amendments which substantially change the nature of that bill. That amended fiscal note would become the official fiscal note attached to the bill.

-- Inform committee chairmen to request amended fiscal notes through the leadership to the Budget Office.

This recommendation follows the above and reinforces the importance of the leadership and the committee chairmen working together in providing accurate and meaningful fiscal notes.

Conclusions

Fiscal notes are a required part of the legislative process, and as such, should reflect accurate and meaningful information. In some instances, this has not been the case due to amendments made to a bill which substantially changes its nature, but this change is not reflected in the fiscal note when considering the merits of the bill. Because of inaccurate fiscal notes, it reflects negatively on the bill.

V. AGENCY REORGANIZATION

Background

Legislative organization is reflected in Title 5, MCA. The committees and positions created under this section include the following:

Agency or Committee	Position
Legislative Council.	Executive Director
Legislative Finance Committee. .	Legislative Fiscal Analyst
Legislative Audit Committee . . .	Legislative Auditor
Administrative Code Committee . .	
Legislative Consumer Committee. .	Consumer Counsel
Environmental Quality Council . .	Executive Director
Capitol Building and Planning . .	
Revenue Oversight Committee . . .	
Coal Tax Oversight Subcommittee .	
House of Representatives.	Chief Clerk
Senate.	Secretary

Reorganization of legislative agencies has been an issue before the Legislature since the council reorganization bill passed in the 1973. Periodically, the Legislature has directed members--either through resolution or by legislation--to look at legislative reorganization, including legislative agencies. In 1977, it directed a committee under the chairmanship of Senator Stan Stephens to look at legislative improvement. In 1979, it directed a committee under the chairmanship of Senator Carroll Graham to look at legislative reorganization. In 1987, it directed a committee under the chairmanship of Senator J. D. Lynch to again look at legislative reorganization and improvement.

This Commission's structure was somewhat different than past committees in that it had not only legislative representation but private sector representation.

One of the charges that this Commission set for itself was to look not only at the Legislature itself but at the reorganization of legislative agencies.

RECOMMENDATIONS:

The Commission recommended legislation forming a committee of leadership made up of the president and minority leader of the Senate and the speaker and the minority leader of the House. This committee would be responsible to oversee the administration of the legislative agencies, and its duties would include the following:

- (a) establish uniform employee classification, pay administration, and personnel policies for full-time and session employees of the legislative branch;
- (b) establish procedures for accounting and payment of valid expense claims and payroll for the legislative branch;
- (c) approval and submission of a unified budget for the legislative branch;
- (d) recommend changes in law or rules necessary to improve the functioning and operation of the legislative branch; and
- (e) coordinate and resolve jurisdictional conflicts among committees and/staff agencies.

Conclusions

The Commission looked at other legislative organizations and concluded that the proposed system would best satisfy present organizational needs. The Commission felt that a uniform or "equal pay for equal work" compensation system was important for the morale and management of the legislative agencies. They also felt that with a centralized administrative and accounting services there would be a monetary savings and a more efficient operation. The Commission further favored allowing the leadership of the Legislature to be more actively involved in the committee work being performed by the interim legislative committees.

After much discussion, it was the Commission's opinion that future needs of the legislative organization should be addressed only after a thorough and careful study has been conducted.

VI. GENERAL

Consent Calendars

The Commission discussed in great detail the use of Consent Calendars. It was their opinion that procedures are available within the rules for the use of Consent Calendars, and it is inherent for the membership to utilize this procedure.

Earmarked Revenue Funds

The Commission spent considerable time looking at the earmarked revenue accounts contained in the budget. They initially recommended the elimination of earmarked revenue from the budget. After holding two meetings with members of the Legislative Finance Committee and the Legislative Fiscal Analyst staff, they felt that sufficient action was being taken to address many of

the concerns of the Commission. The Commission gave their support to the Legislative Finance Committee's endeavors and recommendations concerning the elimination of earmarked revenue funds.

VII. RECOMMENDED LEGISLATION

-- Reorganization of Legislative Agencies

The purpose of this proposed legislation would be to coordinate the administration of the five permanent legislative committees and the staff agencies. It was the Commission's feeling that this would ultimately head off a lot of conflicts between agencies and would also allow the leadership to be more fully aware of the functions and the activities of legislative agencies and statutory committees. This type of structure is used in a number of other states.

-- Legislative Compensation (Exhibit No. 8)

The purpose of this legislation is to amend the relative statutes to place member compensation on an equivalent basis, but not tied to a legislative day as judicially interpreted but to a 40-hour week. This would allow the leadership the option of utilizing days for strictly committee hearings and not by necessity be required to gavel the Legislature into session for a 15-minute or a half an hour period of time. This would save a legislative day for later in the session when longer and more difficult periods of time are needed.

The Commission also felt that the minority and majority leaders of each house should be paid at the same rate as the presiding officers of each house. Because of increased duties and responsibilities, most of the members felt that the leadership per diem should be increased to \$5.00 per day.

APPENDICES

CHAPTER NO. 573

[HB 702]

AN ACT ESTABLISHING A LEGISLATIVE REORGANIZATION AND IMPROVEMENT COMMISSION TO CONDUCT A STUDY OF THE LEGISLATIVE BRANCH OF STATE GOVERNMENT; PROVIDING FOR THE SELECTION OF 12 MEMBERS TO SERVE ON THE COMMISSION; PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE; AND PROVIDING AN APPROPRIATION.

Be it enacted by the Legislature of the State of Montana:

Section 1. Legislative reorganization and improvement commission. (1) There is a 12-member legislative reorganization and improvement commission consisting of three members appointed by the president of the senate, three members appointed by the senate republican leader, three members appointed by the speaker of the house of representatives, and three members appointed by the house minority leader. At least one person appointed by each legislative leader must be a current legislator serving in the same house and of the same political party, and at least one person must be a person not currently serving in the legislature.

(2) Any vacancy occurring on the commission must be filled in the same manner as the original appointment.

(3) The members shall select a chairman from among themselves.

Section 2. Meetings. (1) The chairman shall schedule meetings of the commission as considered necessary, but meetings must be held at least bimonthly. The chairman shall give notice of the time and place of the meetings to members of the commission. The director shall report progress on the study to date at each meeting.

(2) The commission may adopt any necessary rules of procedure for the conduct of its meetings.

Section 3. Reimbursement of expenses. Members of the commission must be reimbursed in accordance with 2-18-501 for actual and necessary expenses incurred in attending meetings or conducting business.

Section 4. Staff and facilities. (1) The commission shall appoint a director and fix his salary and compensation. The director, subject to the approval of the commission, shall hire the necessary staff and fix their compensation, and he may contract with consultants as needed.

(2) The department of administration shall provide necessary meeting facilities in the capitol for the commission and office space, equipment, and supplies for its staff.

Section 5. Powers and duties — recommendations — report. (1) The commission shall make a detailed and thorough study of the legislative branch of state government and of the reorganization thereof. For this purpose the commission is authorized to secure directly from any legislative or executive agency, board, or commission or from any independent organization any information, suggestions, estimates, and statistics, and each such agency, board, commission, or organization shall furnish such information upon request made by the chairman of the commission.

(2) The commission shall prepare a written report, which shall include recommendations for any necessary implementing legislation on the recommended reorganization or improvement of the legislative branch of state government.

(3) Any recommendation of the commission must be approved by a vote of at least seven members of the commission before being adopted. Recommendations, if any, adopted by the commission must be reported in written form and made available to the members of the 51st legislature no later than December 1, 1988, or to any special session of the legislature prior to December 1, 1988.

Section 6. Appropriation. There is appropriated \$15,000 from the general fund to the commission created by this act for the biennium ending

June 30, 1989, to be used only as needed to supplement federal or private funds available for the conduct of a study of the legislative branch of state government. All appropriated general funds not specifically required for the purposes of this act shall revert to the general fund. The commission may receive gifts, grants, or donations for the purpose of researching the effective operation of the legislative branch, and may spend such funds for the purpose.

Section 7. Effective date and termination date. (1) This act is effective on passage and approval.

(2) This act terminates on December 31, 1988.

Approved April 20, 1987.

REPONSES

(Based on 89 returns)

Revised 8-15

LEGISLATIVE REORGANIZATION AND IMPROVEMENT COMMISSION
QUESTIONNAIRE

1) Do you favor the concept of a bill limitation?

66 yes20 no

2) Do you favor the Commission's recommendation to limit the number of bill drafting requests to a maximum of seven bill drafting requests of which a minimum of two must be pre-filed?

62 yes24 no

3) Do you favor the bank concept?

53 yes29 no

Under the bank concept, the Legislative Council would print 1,050 (150 x 7) bill drafting requests to be used by individual legislators. These bill drafting requests would be used for pre-filed, post-filed, appropriation, revenue, or agency bills. Each legislator would be given seven drafting requests (a minimum of two of the requests must be pre-filed). The individual may either use these for their own bill drafting requests, or they may give them to other members of the legislature (House or Senate members) upon request.

4) Do you favor the recommendation of the Commission to require a two-thirds vote by a committee in order to introduce a bill rather than the present three-fourth's vote requirement?

49 yes33 no

5) Do you favor the use of a consent calendar? (This would be those bills receiving a unanimous do pass in committee and be considered non-controversial by the leadership or at the request of the chief sponsor. Bills could be removed from the consent calendar by request of at least five members of a legislative body. Bills placed on the consent calendar would be non-debatable.)

59 yes28 no

6) Do you think all deadlines used during the legislative session should be strictly adhered to?

72 yes 9 no

7) In your opinion, what deadlines should be established for pre-filing bill drafting requests?

<u>29</u>	no deadline
<u>16</u>	10 days prior to commencement of session
<u>16</u>	14 days " " " " "
<u>13</u>	20 days " " " " "

8) Do you favor the recommendation of the Commission to establish a December 10th deadline for all agency bill requests with the exception given a new administration? (The deadline for a new administration would be agreed upon by the leadership of both houses and the governor.)

67 yes 8 no

9) In your opinion, what deadline should be adopted for assigning bills to a committee prior to transmittal date?

14 no limit 40 5 days 18 10 days

10) In your opinion, what percentage should be necessary for the legislative body to suspend the rules?

4 50% 59 two-thirds 14 three-fourths

11) During the legislative session:

Do you favor five-day sessions?	<u>21</u> yes	<u>17</u> no
Do you favor six-day sessions?	<u>26</u> yes	<u>15</u> no
Do you favor a combination of the above? (five days earlier in the session; six days later provided legislators' compensation would be based on a weekly salary equivalent to six days rather than the present system.)	<u>39</u> yes	<u>11</u> no

12) In your opinion, should third reading bills be eliminated with adequate safeguards provided for reconsideration of bills passed on second reading?

28 yes

47 no

13) How would you rate the performance of the following legislative agencies? (Mark an x under the appropriate heading.)

	excellent	good	fair	poor
Legislative Council	<u>39</u>	<u>41</u>	<u>4</u>	
Legislative Fiscal Analyst	<u>20</u>	<u>45</u>	<u>16</u>	
Legislative Auditor	<u>32</u>	<u>42</u>	<u>8</u>	
Consumer Counsel	<u>9</u>	<u>35</u>	<u>23</u>	<u>4</u>
Environmental Quality Council	<u>13</u>	<u>33</u>	<u>23</u>	<u>6</u>

Comments (i.e. agency size, staffing, responsiveness, etc.)

Auditor should do financial audits; fiscal analysts should do "legislative post audits" Too many legislative committees. One thing to remember is, who is running the ship? The agencies or the legislature?

Generally speaking, agencies size appropriate except Legislative Council somewhat large. Do not need the EQC; matters handled there should be cared for by statutory legislation and for interim committee approval. (resolutions)

Time to watch the size (no. of FTE's). The Consumer Counsel is unnecessary.

LFA, and Legislative Auditor staff excellent; Legislative Council staff mostly excellent; however, times when personal bias creeps in. Don't lengthen session.

LFA most best & most efficient group I've worked with.

Legislative Council seems too large and expensive. With less bills and workload more evenly divided between interim and session, we can cut down on both.

A thorough review of all agencies should be conducted. There should be an overall coordinating committee over all legislative agencies which include all leadership.

Consumer Counsel unnecessary.

Consumer Counsel and EQC waste of taxpayer funds.
Above agencies vary in competence according to individual.

Legislative Council unresponsive to minority requests last session.

Cut down on Legislative Council & abolish EQC.

We need less bills!

Legislative Council and Fiscal Analyst are too big, need fewer employees. E.Q.C. should be eliminated or combined with natural resources or Dept. of Health.

Legislative Council should require more participation in bill drafting by legislators. E.Q.C. too energetic in creating work for itself. Need for Consumer Counsel doubtful.

No late nights; reasonable work day.

The legislative agencies are growing too rapidly. The audit staff is the largest group of auditors in the entire state.

(Agencies) should be reduced in size. Too much staff!

Comments or suggestions concerning this questionnaire:

Definitely favors 6-day session; anything else merely lengthens stay in Helena.

We should definitely stop meeting on Saturdays; Class I committees could begin hearings prior to the start of the session; each desk should be equipped with a personal computer that all bills would be available on, and dispense with printing 1st, 2nd & 3rd reading copies of bills.

Suggest all resolutions must be approved by the rules committee prior to introduction.

Rather than arbitrary bill limitations, which I adamantly oppose, I support strong committees. Examine ways to give reins to committees.

The leadership could consider all bills & make recommendations for withdrawal of frivolous matters.

A limit of 10 bills might be better than 7--some legislators would give theirs away anyway.

The legislative members on LRIC are amongst those most responsible for inefficiencies.

It appears that LRIC is putting too great emphasis on bill limitation; please look around for some answers that don't

substantially reduce legislative authority.

The 7 bill limit will burden legislators representing certain areas unfairly. The bank concept will tend to homogenize the legislature. Minor law amendments may be shunned, even though needed. Vote bargaining & trading will be encouraged.

Against staying in Helena any later in the spring with regard to 5-day work week.

Make it more difficult to put in draft requests. Agencies should have to submit theirs to the Legislative Council in final form.

You need to vest more power in the leadership and the committee chairs!

I am not in favor of limiting bill no. because the more powerful lobbyists would prevail on legislators to carry their bills and constituent legislation would take back seat.

Do not like mandatory prefiling of bills.

I believe that House-Senate-and joint resolutions need to pass through a screening committee before they are dealt with as any other bill. If they don't pass the screening committee, they are not introduced under any condition. Conference committee reports need much more consideration than they now receive.

I am not in favor of 5 days because those of us who live too far away to be able to go home weekends will find ourselves with extra time each week and the fear of having the term extended because of not getting the necessary work accomplished before the very end.

Good idea!

Good questionnaire.

This questionnaire has considerable merit & certainly shows that a great deal of thought went into it. It looks like you are on the right track.

I think bills of similar content could be combined by sponsors which would save a lot of time in drafting and debate; we seem to hear a lot of bills of the same subject all session long.

You are doing a fairly good job, but remember that these legislators are elected to serve their voting constituents; don't limit them too greatly.

Implement it!

Favor a Ways and Means Committee

**A 5-Session History of Bill Introductions
in the Montana Legislature and a Calendar of Significant Dates
Under the Rules of the 50th Montana Legislature**

**Compiled for
The Legislative Reorganization and Improvement Commission**

**by Kevin Hayes
Montana Legislative Council Staff**

March 29, 1988

TABLE I
NUMBER OF BILL REQUESTS

Year	<u>1979</u>	<u>1981</u>	<u>1983</u>	<u>1985</u>	<u>1987</u>
Number of Bill Requests Prior to Session	795	1,286	1,064	1,300	1,257
Number of Bill Requests After Start of Session	<u>1,224</u>	<u>652</u>	<u>814</u>	<u>674</u>	<u>674</u>
Total Number of Bill Requests	2,019	1,938	1,878	1,974	1,881
Total Number of Bills Introduced	1,630	1,481	1,474	1,543	1,394
Total Number of Bills Requested But Not Introduced	389	457	404	431	487

TABLE II

AGENCY BILLS -- INTRODUCED AND PASSED

Year	<u>1979</u>	<u>1981</u>	<u>1983</u>	<u>1985</u>	<u>1987</u>
Number of Agency Bills Introduced	227	226	306	326	237
Number of Agency Bills Passed	173	176	238	261	188

TABLE III

BILLS AND RESOLUTIONS -- INTRODUCED AND PASSED

Year	<u>1979</u>	<u>1981</u>	<u>1983</u>	<u>1985</u>	<u>1987</u>
Bills and Resolutions Introduced					
Senate Bills	521	486	485	467	397
Senate Joint Resolutions	40	36	26	44	15
Senate Resolutions	<u>66</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>8</u>
Total	627	528	496	516	420
House Bills	927	876	927	961	912
House Joint Resolutions	70	68	47	62	59
House Resolutions	<u>6</u>	<u>9</u>	<u>4</u>	<u>4</u>	<u>3</u>
Total	1,003	953	978	1,027	974
Grand Total of Introductions	1,630	1,481	1,474	1,543	1,394
Bills and Resolutions Passed					
Senate Bills	283	268	255	278	218
Senate Joint Resolutions	25	21	19	29	10
Senate Resolutions	<u>66</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>7</u>
Total	374	294	279	310	235
House Bills	460	383	403	483	463
House Joint Resolutions	42	44	29	40	39
House Resolutions	<u>5</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>1</u>
Total	507	432	526	526	503
Grand Total of Resolutions	881	726	805	836	738

TABLE IV

CALENDAR OF SIGNIFICANT DATES
UNDER 50TH LEGISLATIVE SESSION RULES

Description	Date	
	Pre-Session	
Holdover senator or interim committee may request bill draft	Day after adjournment of session sine die	
Unopposed candidate may request bill draft	Day after filing deadline for general election (filing deadline was March 24, 1988)	
Elected candidate may request bill draft	Day after general election (general election will take place November 9, 1988)	
Bill requests may be accepted and not counted toward legislator's 5-bill limit	Up to 5:00 p.m. of the day prior to the first day of session (session will convene January 2, 1989)	
Session		
Introduction of Bills and Resolutions		
Description	Request Deadline 5:00 p.m. Legislative Day	Introduction Deadline 5:00 p.m. Legislative Day
General bills and resolutions	10	14
Revenue bills	17	21
Committee bills and resolutions	36	40
Committee revenue bills	62	66
Committee bills implementing provisions of a general appropriation	75	78
Appropriation bills	No deadline	No deadline
Interim study resolutions	No deadline	No deadline
Resolutions to express confirmation of appointments	No deadline	No deadline
Bills repealing or directing the amendment or adoption of administrative rules and joint resolutions advising or requesting the repeal, amendment, or adoption of administrative rules	No deadline	No deadline
Bills and resolutions delivered after the applicable introduction deadline must be introduced within 2 legislative days after delivery.		

Transmittal of Bills and Amendments

Transmittal Date
Legislative Day

General bills and resolutions	45
Senate revenue bills	58
House revenue bills	65
Joint resolutions introduced for the purpose of estimating revenue available for appropriation by the Legislature	67
Second-house amendments to general bills and resolutions	70
Appropriation bills	72
House amendments to senate revenue bills	83
Senate amendments to house revenue bills	83
Senate amendments to appropriation bills	83
Amendments to joint resolutions introduced for the purpose of estimating revenue available for appropriation by the Legislature	83

No deadline

Post-Session

Description

Date

Governor must return a vetoed bill to secretary of state or bill automatically becomes law

Within 25 days of adjournment of session
sine die

APPROPRIATIONS/REVENUE COORDINATION

Staff Report
June 16, 1988

Revenue/Appropriations Estimating

Present System: Under the present system, the governor is required by the constitution to submit a budget to the legislature by a day certain. This budget includes all of the funds necessary to administer state government and deliver state services. Included in the budget is the revenue necessary to provide these funds. The legislature then refers this budget to the House and Senate appropriations committees. The appropriations committees, in turn, refers sections of this budget to subcommittees.

In conjunction with the budget submitted by the governor, revenue and appropriations projections are submitted by the Legislative Fiscal Analyst. The committee and subcommittees compare these two documents, and in conjunction with hearing data, submit a finalized budget to the legislature. This type of a system is followed in a majority of states.

In reading over the literature, we came across different approaches to this system. For instance, Colorado has a joint budget committee which is made up of two members of the majority and one member of the minority from the House and Senate. This committee receives the governor's budget, conducts the hearings, and makes the final recommendations to the legislature.

Idaho has a joint revenue projection committee made up of 12 members from each the House and the Senate. They receive the governor's budget on the 1st day of the legislative session and conduct hearings and make final recommendations to the legislature.

Wyoming has a joint appropriations/revenue committee made up of equal members of the House and the Senate; they hold hearings 20 days prior to the convening of the legislature. They then have a responsibility of presenting a budget to the legislature. They take the appropriations bills and split them -- half going to the House and half going to the Senate. The full legislative body has access to the governor's recommendations.

CONSIDERATIONS:

- 1) Retain present system;
- 2) Consider zero-based budgeting (ZBB). (Zero-based budgeting is a method which formally considers reduced levels of expenditure rather than merely increases

above current expenditure levels. The distinctive purpose of ZBB is to determine whether each activity warrants continuation at its current level or at a different level, or should be terminated. The ZBB format provides for the submission of budget requests at alternative funding levels, and for the priority ranking of activities in successively increasing levels of funding, starting from a level significantly below the current level);

- 3) Establishment of a joint budget committee;
- 4) Establish a base budget concept, and for the money review committees, concentrate on incremental budgeting;
- 5) Establish a joint House/Senate appropriations committee and a joint House/Senate revenue committee;
 - (a) Allow interim public meetings at which time the public and the agencies could present their ideas and considerations.
- 6) Require governor to submit his budget 30 days prior to commencement of session;
- 7) Set specific time period during legislative session for appropriations and revenue committee meetings, and notify public in adequate time period so that they can attend.

Appropriations Bill Timing

- 1) Retain present system;
- 2) Utilize suggestions for revenue estimating;
- 3) Have a split legislative session that would consider only appropriations and revenue matters; (This system would allow all legislators to be assigned to one of the appropriations or revenue subcommittees;
- 4) Provide incentives for operating or capital outlay budgets for state agencies based on a percentage of funds saved at the end of each fiscal year.

Conference Committee on Final Budget

- 1) Retain present system;
- 2) Require a 24-hour notification of conference committees

to all members of the legislature and to the public;

More Adversarial Appropriations Hearings

- 1) Retain present system;
- 2) Hold interim appropriations and revenue committee hearings to which public is invited to participate;
- 3) More notification to public of appropriations and revenue committee hearings.

G. STEVEN BROWN
ATTORNEY AT LAW
313 ELEVENTH AVENUE
HELENA, MONTANA 59601
406/442-8711

May 4, 1988

Senator J.D. Lynch, Chairman
Legislative Reorganization and
Improvement Commission
Room 138
State Capitol
Helena, MT 59620

Dear Senator Lynch:

I have read with interest the deliberations of the Legislative Reorganization and Improvement Commission over the past several months. I take this opportunity to offer my suggestions for improving the legislative process based on my experience as a State Senator from Lewis and Clark County and a lobbyist for state government and private entities since 1973.

LIMITATIONS ON BILLS

It is my understanding that the Commission is considering a limitation on the number of bills that may be introduced by individual legislators. The objective is to reduce the overall number of bills considered in order to facilitate proper consideration of those bills. I respectfully submit that a limit on the number of bills that may be introduced by individual legislators will not address the concerns of the Commission. The present log-jam at each transmittal deadline will continue unless fundamental changes are made in the legislative process and there is better management of bills by legislative committees.

In submitting these comments, I will engage in a public confession. Yes, it is true that I introduced more bills than Tom Towe in the 1981 Legislature! I introduced 44 bills to be exact! However, my experience in introducing such a great number of bills illustrates why bill limits will not work and may create even more problems.

Of the 44 bills that I introduced in 1981, 18 were sunset bills introduced at the request of the Legislative Auditor. Senator Matt Himsl and I were the only returnees from the Legislative Audit Committee in the 1981 session. Accordingly, only Senator Himsl and I were familiar with the 36 bills that

Senator J.D. Lynch
May 4, 1988
Page Two

were drafted in response to sunset audits of boards and commissions in the Professional and Occupational Licensing Bureau of the Department of Commerce. Senator Himsel and I had no choice but to introduce the bills recommended by the Legislative Audit Committee. Any limitation on the number of bills that may be introduced by individual legislators must recognize these special circumstances. A 7 bill limit may prevent holdover members of an interim committee from introducing the interim committee's bills. If, by sponsoring interim committee bills, a legislator is precluded from introducing bills for his constituents, most legislators will ignore the interim committee's bills and introduce his constituents' bills. Other exceptions may also have to be recognized.

Individual bill limits will also pose serious problems for legislators who are asked to deal with constituent problems. Late in the 1981 session a constituent approached me about introducing a bill to raise the age limit for applying to be a fireman in the state of Montana. The constituent in question could not apply to be a fireman without a change in the law. I already had agreed to sponsor a large number of bills and wanted to decline. I suggested several other legislators. My constituent approached those legislators but all declined to sponsor the bill. The constituent came back to me and I agreed to sponsor the bill rather than deprive this individual of his right of access to the Montana Legislature. The bill passed. To suggest that it will be easy for a member of the public to find an alternative sponsor is simply not the case where other legislators have no interest in the bill or the person seeking a sponsor does not reside in the legislator's district.

Individual bill limitations will also generate game-playing among legislators and cause additional administrative problems for the Legislature. Suppose Legislator A has introduced his 7 bills. A constituent wants Legislator A to sponsor a bill. Legislator A asks Legislator C to introduce the bill with the understanding that even though Legislator C is the sponsor, Legislator A will carry the legislation. The deal is struck, the bill is introduced, and Legislator C receives all of the hearing notices and inquiries regarding the bill. Of course, Legislator C says: "I am really not carrying this bill, go talk to Legislator A." This situation will only create problems and duplication of effort. What if Legislator C, who really has no interest in the bill, decides the bill can be amended or killed in committee but

Senator J.D. Lynch
May 4, 1988
Page Three

Legislator A objects? Who controls the bill's destiny? The legislative process should not encourage this kind of hypocrisy. It is much better to have one legislator introducing 30 bills who really believes in those 30 bills than to try and spread those 30 bills among 3 or 4 legislators, many of whom may not endorse or support the bills they are carrying.

My final objection to an individual bill limitation proposal is simply that it will not solve the problem. If, for example, legislators are limited to 7 bills each, that will generate a total of 1,050 bills. While reducing the total number of bills may slightly reduce the log-jam at the transmittal deadlines, it will not solve the underlying problem. The underlying problem is simply that the most significant and controversial bills are always held until the transmittal deadlines and that will continue to occur whether 500, 1,000 or 1,500 bills are introduced. The next section of this letter will address my suggestions for improving the administration of bills in the legislative process.

IMPROVED BILL ADMINISTRATION

There are several steps that can be taken to avoid the crush at transmittal time.

1. Mandatory Executive Sessions During Regular Committee Times. There should, in my opinion, be mandatory executive sessions for every committee during the week, not in the evening or on Saturdays. For committees which meet daily, the mandatory executive session should occur once a week on set days, preferably in the middle of the week. For committees which meet only twice or three times weekly, a mandatory executive session would be held once every two weeks. The mandatory executive session should not occur on Saturdays. The committees would not be allowed to schedule any hearings during the mandatory executive session. The sole function of the committee during the mandated executive session would be to consider, amend and take action on bills pending in the committee.

This proposal will result in bills being considered and

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May 4, 1988
Page Four

passed out of committee in a more timely fashion. The proposal can only work if the joint rules prohibit hearings on other bills during this mandatory executive session, with perhaps one exception. That exception would be when the committee chairman has reported to the Speaker of the House or the President of the Senate the number of bills pending in committee and shown good cause why the committee cannot take action on those bills. Then, and only then, would the Speaker or the President authorize the committee to hold hearings on bills during those mandated executive session days.

2. Eliminate Third Reading of Bills. I recommended to the 1980 Interim Committee on Legislative Improvement that third reading of bills be eliminated to save time and money. The Interim Committee adopted my proposal and included that recommendation in a report to the 1981 Legislature (see Recommendations to Pre-Session Caucuses by Interim Committee on Legislative Improvement, November, 1980, published by Montana Legislative Council, pp. 14 and 15).

Montana's Constitution (Article V, Section 11) only requires that the final vote on a bill be recorded in the journal. The Constitution does not mandate third reading of bills. Most bills considered on second reading pass without amendment. The 1980 Legislative Improvement Committee recognized that where amendments are made to bills during the second reading committee of the whole report, it may be advantageous to hold the bill over and have the amended second reading bill printed and voted on the next day.

I recognize that third reading does provide an opportunity to "turn around" close votes on controversial measures. A reconsideration motion can accomplish the same objective under the existing rules.

Based on information supplied by the Legislative Council, I calculated that elimination of third reading would save \$35,208.00 in paper and printing costs in 1981 (see Attachment 1 to this letter). There would also be savings in the reduction of manpower to print, collate, staple and punch the third reading copies of bills. Elimination of third reading would expedite the processing of bills by each house and eliminate one cumbersome step in the process.

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3. Bifurcation of the Legislative Session. The major obstacle to proper consideration of bills in the present process is the 6 day-a-week, 90 day session which simply does not allow legislators to take a hard look at 500, 1,000 or 1,500 bills. Furthermore, the present process also generates interim studies which are never implemented. Many legislators who serve on interim committees either do not return or there is a change in philosophy in the succeeding Legislature and the interim studies are rejected. Bifurcation of the 90 day legislative process would address both of these problems.

My proposal is that after convening in January, the Legislature would recess on the 35th legislative day. All general bills, resolutions and revenue bills are generally introduced and available for review by that date. The 35th legislative day generally occurs in mid-February. The Legislature would recess after the 35th day until March 15. The Legislature would reconvene on March 15 and complete work on all bills subject to the 45 day transmittal deadline. The Legislature would again recess after the 45th day and reconvene on November 1.

This bifurcated system would allow proper consideration of bills before the major transmittal deadlines. It would also facilitate appropriate interim study of major bills by affected committees before the November portion of the session.

The 30 day hiatus between mid-February and March 15 would allow each House to prepare for the 10 grueling days before the 45 day transmittal deadline. This is the period in which the most controversial bills are always considered. The mid-February to March 15 recess would be used by the leadership and committee chairmen to coordinate hearing schedules and reallocate, if necessary, assignment of bills to committees. I also recommend that bills continue to be introduced and assigned to committees during this recess. This would ensure that virtually all bills, including appropriation bills, would be available at the end of the 45th legislative day under this bifurcation proposal.

The interim between April 1 and November 1 would be used to study the most complex and controversial issues. I also propose that the taxation, House Appropriation and Senate Finance and Claims committees meet during this interim. Upon reconvening on November 1 the Legislature would be better prepared to tackle the issues and the affected committees would

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Page Six

have more time to deliberate the complex issues that survive the interim process. This interim would also be used by the respective caucuses to finalize caucus positions.

I am the first to recognize that this bifurcation proposal is not without problems. Arguments against it in the past have included concerns about attracting appropriate legislative staff, whether there would be increased legislative expenditures, the impact on Montana's citizen legislators, and the effect on the fiscal year budget process.

I believe that my bifurcation proposal will actually reduce the number of days the Legislature is in session. Granted, there will be some committee meetings during both recesses but those interim committee meetings should reduce the number of days spent in session. It will also facilitate consideration of various political issues by the respective caucuses. Most important, however, it will allow a more rational consideration of complex legislative issues by legislators and the public.

I also believe that appropriate legislative staff will still be available under my bifurcated proposal. It is my belief that most people who are able to work the legislative process on a temporary basis will also be able to make suitable arrangements to work in the process under a bifurcated proposal.

I agree that there is an impact on Montana's citizen legislators. They may be subject to more intense lobbying at home. I find that prospect much more desirable than several hundred lobbyists trying to explain their detailed bills in 30 seconds in the hallways. It is also an opportunity for those legislators who do not serve on the taxation and appropriation committees to become more involved with the recommendations that may come out of those committees.

Montana presently budgets on a July 1 to June 30 basis. The federal government budgets on an October 1 through September 30 fiscal year basis. My bifurcation proposal is a problem if the state of Montana continues to appropriate funds on a July 1 through June 30 basis. I have discussed this bifurcation matter with several past and present experts on Montana's budget, and they agree that the state of Montana could switch to a calendar year appropriation. Several states have done so. Appropriating money based on a January 1 through

Senator J.D. Lynch
May 4, 1988
Page Seven

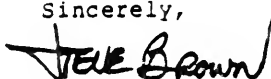
December 31 basis would be consistent with my bifurcation proposal.

LEGISLATIVE COORDINATION

I believe that the standing committees of the Montana Legislature need to coordinate their activities. Attached is a copy of Senate Bill 114 introduced in the 1981 Legislature. The bill would have created a state administration oversight committee comprised of 1 member of each party from the administrative code committee, the legislative audit committee, the legislative finance committee, the environmental quality council, the legislative council and the revenue oversight committee. In addition, the Speaker of the House, the Minority Leader of the House, the President of the Senate and the Minority Leader of the Senate have been members of the committee. While the powers and duties of such an oversight committee can be debated at length, my purpose in introducing the bill was simply to start the process of coordinating standing legislative committee functions. That process of coordination will, in my opinion, result in better legislative efficiency and recommendations for improving the efficiency of state government in general.

Thank you for your consideration of this letter. I know you have an enormous task before you but I have confidence in your ability to resolve these difficult problems. I will be glad to attend your next meeting and discuss this proposal in detail if you so desire.

Sincerely,

A handwritten signature in black ink, appearing to read "STEVE BROWN", with a stylized flourish at the end.

G. Steven Brown

GSB rs
attach.

①

S.J. Res 2

Elimination of Third Reading

Explain amendment -- no 3rd; if amended on 2nd, held over + printed on blue paper
Economic reasons for eliminating 3rd reading

a. Printing + paper cost - 24/page

b. 507	House bills + resolutions passed in '79				
374	Senate	"	"	"	"
3	Senate	"	"	"	killed by Senate on 3rd
48	Senate	"	"	"	killed by House
9	House	"	"	"	killed by House on 3rd
137	House	"	"	"	killed by Senate Senate
<u>1078</u>	TOTAL				

600%
262%

alternative

c. Assume ave size of bills - 3 pages
d. 600 copies printed of 3rd reading

e. 1,940,400 pieces of paper used for 3rd reading
- cost \$38,808

f. Assume 100 bills amended on 2nd reading
- cost \$3,600

g. Total paper + printing cost savings = \$35,208

h. Additional savings: (i) Printing
Printer - master
Printing
Collated
Stapled
Punched } eliminated

- ① who's in charge of the legislative branch
 ② Question needs to be answered now that we have gotten bigger
 ③ Problems:

(a) lack of communication
 (b) some duplication
 (c) inability to coordinate efforts

(d) redundancy in committee structure

Sheet file no. 114
 INTRODUCED BY Steve Bond Sen. State

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE A PERMANENT INVESTIGATIVE COMMITTEE ON STATE ADMINISTRATION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. State administration oversight committee -- appointment and composition. (1) There is a state administration oversight committee which consists of:

(a) one member from each party from each of the following committees appointed by the chairman of the respective committee:

(i) administrative code committee;

(ii) legislative audit committee;

(iii) legislative finance committee;

(iv) environmental quality council;

(v) legislative council; and

(vi) revenue oversight committee;

(b) the speaker of the house;

(c) the minority leader of the house;

(d) the president of the senate; and

(e) the minority leader of the senate.

Members must be appointed before the 10th legislative day of a regular session.

①
 16 members

Section 2. Term of office. Appointments to the committee are for 2 years. A member of the committee serves until his term of office as a legislator is ended or his successor is appointed, whichever occurs first.

Section 3. Vacancies. A vacancy is filled in the same manner as the original appointment is made.

Section 4. Officers. The committee shall elect one of its members as chairman and may elect other officers it considers necessary.

Section 5. Meetings and compensation. (1) The committee shall meet as often as the chairman considers necessary during and between legislative sessions but at least twice annually. *

(2) Committee members are entitled to receive compensation and expenses as provided in 9-2-302.

Section 6. Staff assistance. The staffs of the committees listed in [section 1(1)] shall provide staff assistance to the committee within the limitations of any appropriation for such purpose. The staff providing NO assistance to the committee has the same authority of investigations, examinations and hearings on behalf of the committee as provided in 5-11-106 and 5-11-107.

Section 7. Duties of the committee. The committee shall: may?
 (1) investigate the enactment of existing laws to

DUTIES

- 1 determine if they are effectively and efficiently
- 2 implemented under existing governmental organizations
- 3 (2) investigate the possibilities for consolidation in
- 4 state government;
- 5 (3) make recommendations for the elimination of waste
- 6 and duplication in legislative and executive branches of
- 7 government;
- 8 (4) report to the legislature on laws and
- 9 constitutional provisions that appear to conflict
- 10 (5) review the operation and procedures of the
- 11 legislature and make recommendations for improvement of the *
- 12 legislative process and amendment of legislative rules;
- 13 (6) review and establish a uniform and equitable *
- 14 salary schedule within the legislative branch of government;
- 15 and
- 16 (7) review and approve budgets and budget amendments *
- 17 for all legislative programs.
- 18 Section 8. Powers of the committee. The committee may:
- 19 (1) use reports published by the following committees:
- 20 (a) administrative code committee;
- 21 (b) legislative audit committee;
- 22 (c) legislative finance committee;
- 23 (d) environmental quality council;
- 24 (e) legislative council; and
- 25 (f) revenue oversight committee;

- 1 (2) examine any state program;
- 2 (3) request and shall receive from any legislative or
- 3 executive branch agency such assistance and data as will
- 4 enable the committee to fulfill its duties; and
- 5 (4) hold public hearings.
- 6 Section 9. Committee reports. Prior to September 15 of
- 7 each year preceding a legislative session, the committee
- 8 shall prepare a report of its activities together with its
- 9 recommendations to be submitted to the legislature.

(5)



COMMON CAUSE/MONTANA

P.O. Box 623
Helena, Montana 59624

(406) 442-9251

May 16, 1988

Senator Bill Norman
440 Connell Avenue
Missoula, MT 59801

Dear Senator Norman:

At the last Legislative Reorganization Commission meeting, you asked me to make specific suggestions on how bill limitations can work, without, at the same time, limiting the public's involvement in the legislative process. I spoke with Common Cause's national office, and they sent me, among other things, the enclosed "State Legislative Report" put together by the National Conference of State Legislatures, 1050 17th Street, #2100, Denver, CO, 80265. (Phone: 303-623-7800, contact: Jan Carpenter).

While I think this study of bill limitations will be very helpful to the Commission, I wish to summarize a few points that I believe would be especially useful in Montana. It is interesting to note that Montana is one of few states with limits on introduction of bills after the start of session, and thus, presumably, already has more controls in place than other states. Obviously, more steps are needed.

First, it would appear that strictly enforced deadlines would have as much or more effect as bill limits. With inflexible deadlines, the public will have a clearer idea of when legislators or agencies must introduce bills. There will be less "surprises" in the form of bills coming out of nowhere at the last minute. Most importantly, committee and floor work can proceed more smoothly.

A system of deadlines could have several components. First, there should be a deadline for pre-requested legislator bills that falls before the last day pre-session. If all pre-session requests had to be in two weeks prior to the session, the Legislative Council would be able to complete its drafting in a more orderly manner.

Second, agency bills should all be requested by a specific date, perhaps that same date. The effect of both of these deadlines would be to enable committees to hit the ground running. Also, leadership would have a better idea

going into ~~the~~ session what scheduling for the session will involve.

Third, we should limit the number of post-session requests per legislator, and perhaps reduce the number from five to four or three. To make the limits work, some kind of control or limitation would have to be placed upon agency bills, as well as other types of bills currently exempted from that limitation.


Fourth, having created stricter deadlines and limits, a mechanism would have to be set up to allow exemptions in "emergencies". Looking at Iowa's experience, it appears that leadership should play a central role in creating and strictly enforcing any exemptions.

In addition, deadlines in the committee process should be closely followed. It would appear that greater coordination and control of the consideration and flow of bills by the leadership would be helpful. Earlier commission meetings involved discussions of planning hearings around bills of like topics. I believe that better pre-planning of committee tasks around such concerns would smooth the flow of legislation. I also believe that leadership could take a greater role in making sure that several similar or nearly the same bills are not introduced. That role could include some form of mediation or negotiations to get one consensus bill.

As I said at the last hearing, I do not believe that limitations should be placed on bills if it significantly limits public involvement. Bill limitations, standing alone, may have that effect. Nevertheless, if the legislature implemented a stricter series of deadlines in conjunction, perhaps with some form of bill limitation, (i.e. the number that could be requested after a session began) public involvement could well be enhanced.

It is my expectation that the Commission should be able to outline ways to streamline the process without limiting public involvement. As I have said before, other state legislators can surely provide good examples for what Montana can and cannot reasonably accomplish. I hope the enclosed provides some worthwhile suggestions. Thank you for your consideration.

Sincerely,


Kim Wilson

/kp
cc: Senator J. D. Lynch



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

Rep. Tom Asay
House District 50
819 - 8th Ave.
Helena, MT 59601
Phone. 443-5800
RR 2
Forsyth, MT 59327
Phone: 356-2394

Committees:
Taxation,
Natural Resources,
Select Committee on Water

DATE: June 13, 1988

TO: Sen. J. D. Lynch, Chr.
Legislative Reorganization & Improvement Comm.
State Capitol
Helena, Mt. 59620

FROM: Rep. Tom Asay
P. O. Box 914
Forsyth, Mt. 59327

I'm disappointed that on this first communication from your committee you have allowed so little time for preparation of a response to a very important matter. On second thought, this is the second communication, the first was a request for five bucks.

Since your questionnaire deals with bill limitation, I'll restrict my comments to that issue. Generally speaking the great debate on this subject is a bit misguided. It is dealing with the symptom and not the problem. The problem is in reality a lack of timely and responsible action on the important issues. The large number of bills requested by various agencies provides a smoke screen to perpetuate the illusion of action with little substance.

If legislators would become accustomed to developing and following through on all of their own bills there would be an automatic limitation on numbers and a vast improvement in quality. If this should be accompanied by a scheduling process that would facilitate and mandate timely action on critical issues, instead of allowing those issues to be delayed till time runs out, we might even get some of our state problems dealt with instead of bandaied and shunted aside.

I proposed a procedure in the 1987 session that dealt with this matter directly. Since you will be spared my presence in the coming session, I'll briefly repeat it here because I feel it has some merit.

Early in the session or possibly at presession caucus, each caucus individually would identify what they consider the major issues facing the state (5-8-10, whatever number). Representatives from each caucus would assemble and prioritise the issues identified. The top priority issues would then be returned to the caucuses for the purpose of specifying the acceptable goals for the resolution of each issue. On agreement of acceptable goals these issues would then be given to the legislators to develop legislation.

This legislation would have top priority at all levels - preparation and scheduling & etc. Rules could be adopted for the handling of other legislation as time and facilities permitted.

One other matter I wish to bring up. Months before the last session I met with the legislative council and proposed a procedure for the legislature to review the various departments of state government for the purpose of identifying duplication of efforts and excessive growth in government. I called it baseline budgeting and suggested using the reorganization undertaken in the seventies as the baseline.

It dealt more with justifying increases in F.T.E.'s and spending requests. It was intended to assist the current appropriation process, not replace it.

On other issues - Consent Calendar has merit if it is not used as a railroad. Third reading should not be eliminated.

LAW OFFICES
MURPHY, ROBINSON, HECKATHORN & PHILLIPS, P.C.

A PROFESSIONAL CORPORATION

ONE MAIN BUILDING

P.O. Box 759

KALISPELL, MONTANA 59903-0759

TELEPHONE
(406) 752-6644

TELECOPIER
(406) 752-5108

OF COUNSEL
JAMES E. MURPHY
(RETIRED, 1975)

JAMES A. ROBISCHON

CALVIN S. ROBINSON
JAMES HECKATHORN
C. EUGENE PHILLIPS
JOHN B. DUOIS, JR.
DANIEL D. JOHNS
DONALD R. MURRAY, JR.
DANA L. CHRISTENSEN
STEVEN E. CUMMINGS
DEBRA D. PARKER
PAMELA L. MILLER

August 9, 1988

Mr. Roland Don Pratt
Director
Legislative Reorganization and
Improvement Commission
Room 312-A, State Capitol
Helena, Montana 59620

Dear Don:

In discussing legislative procedures with lobbyists in other states in the Northwest Region, I have learned that Montana is somewhat unique in allowing amendment of bills on second reading during the debate stage. Wyoming also follows this practice, however, Oregon does not. Several lobbyists that I know have worked both the Wyoming and Oregon Legislatures and feel the Oregon system is a great improvement over Wyoming. By eliminating amendments being added to bills on the floor during debate, the debate process is speeded up considerably. In addition, by placing all amendments in a bill during committee proceedings, it is their feeling that a much better job of drafting is done and that the committee system itself is strengthened substantially.

It seems to me that this is a possible recommendation which the Commission might wish to consider during their meetings on August 18 and 19. I intend now to attend that meeting and will have copies of the Oregon rules of both the Senate and the House with me in case any of the members of the Commission would like to see how they operate. Although there are no amendments allowed on the floor, they do have minority reports from the committees which can be considered during the debate stage.

I would appreciate it if you would pass this suggestion along to the members of the Commission.

Very truly yours,

MURPHY, ROBINSON, HECKATHORN
& PHILLIPS, P.C.


C. Eugene Phillips

CEP:da



The Big Sky Country

MONTANA STATE SENATE

May 10, 1988

SEN. DELWYN GAGE
DISTRICT 7

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620

HOME ADDRESS:
BOX 1027
CUT BANK, MONTANA 59427
PHONE 873-4662

COMMITTEES:
BUSINESS & INDUSTRY
EDUCATION
LABOR
TAXATION

Dear Legislators,

Enclosed is some information which I received from the Dept. of Administration along with a copy of a letter which I sent to Rep. Dorothy Bradley. Both I think are self explanatory after you have read my letter to Dorothy.

It certainly seems to me that we are not getting much management from our department people mostly because we do not give them the latitude to make decisions except within the strict limits that we now make them operate under. None of us would consider leaving our own business for two years at a time and tell our managers that we only want them to spend a specific amount of money for specific things. The other point is that we have these people spending too damn much time dotting the eyes and crossing the tees as far as putting together and justifying their budgets.

At the very least as I have indicated, I think it is very important that the full Appropriations and Finance and Claims committees hear the Dept. of Admin. budget because of the affect it has on all the other budgets in state government.

I am by copy of this letter asking to be put on the agenda for the next Legislative Review and Improvement Commission meeting to give a presentation on this proposal.

I would appreciate your comments regarding these matters as soon as possible so that I can consider your input prior to this meeting.

Sincerely,

Delwyn Gage
Delwyn Gage, Senator - Dist. 5

CC: Senators Akelstad, Norman, Regan and Rep. Marks and Bardanouve
Leg. Review & Improvement Comm.



The Big Sky Country

MONTANA STATE SENATE

April 22, 1988

SEN. DELWYN GAGE
DISTRICT 7

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620

HOME ADDRESS:
BOX 44787
CUT BANK, MONTANA 59427
PHONE 873-4662

COMMITTEES:
BUSINESS & INDUSTRY
EDUCATION
LABOR
TAXATION

Representative Dorothy Bradley
919 West Lamme
Bozeman, Mt 59715

Dear Representative Bradley,

You will recall our discussion at the Audit Committee meeting about submitting a proposal to the legislative committee that is considering reform measures to streamline the process. I am outlining below some of my thoughts with regard to the budget hearings which we conduct.

I have talked with Ellen Fever regarding the Dept. of Admin. and the affect their department has on budgets of other agencies of state government. Because her department is responsible for the various costs of state buildings etc. and these costs all enter into the rental charges, there is some cost in all budgets that originate from her department. Her department also administers the computer services for state government and that too affects nearly all if not all agencies. The communications network also goes through her department and I could go on and on but you will realize from this that the charges for various services which her department makes to other departments has an affect on nearly every other agency. It is for this reason that I feel that the first budget to be heard is that of the Dept. of Administration. I further would recommend that this budget be heard by a joint hearing before the full House Appropriations and Senate Finance & Claims Committees in order that they have a full understanding of how this department budget affects the budgets of whatever agency budgets the joint subcommittees hear. It does not make any sense to cut the budget of the Dept. of Admin. in an area that will mean less services to other agencies and not cut their budget in the same area. Theoretically the total costs for utilities for instance that is part of the budget of the Dept. of Admin. is passed on to other agencies of the state and the total budgeted for this cost is equal to what is paid out by the Dept. of Admin. Therefore if you cut the Dept. of Admin. budget for utilities you should be able to cut all other agencies by their proportionate share of that same amount as an example.



The Big Sky Country

MONTANA STATE SENATE

SEN. DELWYN GAGE
DISTRICT 7

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620

HOME ADDRESS:
BOX ~~XXX~~ 787
CUT BANK, MONTANA 59427
PHONE 873-4662

COMMITTEES:
BUSINESS & INDUSTRY
EDUCATION
LABOR
TAXATION

My next proposal would be to have the joint subcommittees hear the various budgets as they have in the past. After hearings are completed, the legislature then needs to make a determination as to what the total revenue will be in order to fund the operation of the state for the next bi-ennium, which determination can be worked on while these budget hearings are in process. After the completion of these two tasks I would suggest that the committees then take a look at the combined totals of all the departments compared to the funding available and then rather than pass the budgets for each department in detail as we have done in the past, the legislature will block grant whatever amount it decides to appropriate to each department to operate that department for the next two fiscal years. We will not give them an open check book as to the spending of these funds but will not tie them down as we have in the past. I would envision as an example that we would say salaries and payment for personal services will not be more than X% higher than the previous bi-ennium and no new programs will be started or only specified programs will be funded and other general guidelines such as this.

The reason for this proposal is, as we discussed a bit, that we as legislators hear the budget for a particular agency for let us say 2 hours and then we think we are smarter than the people who work in that agency, many of whom have worked for years in that job. In effect we tell them that we know more about how to spend the funds allotted to that agency after 2 hours than they have learned in several years. Unless we give those management people some management tools, the biggest of which is a great deal more flexibility in managing their funds, we are not going to get the kind of possible savings and maximum benefit from state spending that is possible with better management efforts.

Again in line with our conversation you indicated an interest in joining with me in an effort to get something of this nature put before that review committee and this letter is in response to your interest. Please give me the benefit of your good judgement regarding what I have outlined above and additions you would deem to improve the whole process.



The Big Sky Country

MONTANA STATE SENATE

SEN. DELWYN GAGE
DISTRICT 7

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620

HOME ADDRESS:
BOX ~~1828~~ 787
CUT BANK, MONTANA 59427
PHONE 873-4662

COMMITTEES:
BUSINESS & INDUSTRY
EDUCATION
LABOR
TAXATION

After you have reviewed this letter and sent me your comments and suggestions, it is my plan to take the whole proposal to the LFA and the Legislative Council people and go over it with them for their input before making a final draft for the review committee. If possible I would appreciate it if you could be with me at the meeting with the LFA and Legislative Council.

Thank you for your interest and help. I am not sure what kind of reception this will receive but I am assuming we will have a steep up-hill battle. We have both faced these battles before in what we deemed to be the best interest of the people of our state so that prospect does not bother me at all.

Sincerely,

Delwyn Gage, Senator - Dist. 5

DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

(406) 444-2032

HELENA, MONTANA 59620

May 5, 1988

Senator Delwyn Gage
Box 787
Cut Bank, MT 59427

Dear Senator Gage:

Subject: Department of Administration Budget Issues

We took two approaches to responding to your request for information about the proprietary services the Department of Administration offers to State agencies. We prepared a brief description of the various programs, and we designed a chart (attached) that illustrates the State agencies receiving the particular services.

Property & Supply Bureau (P&S)

This Bureau is comprised of three programs: Central Stores, State Surplus Property, and Federal Surplus Property. The Central Stores Program administers, orders, buys, determines specifications, works with user group committees, stocks, inventories and markets, commonly required supply commodities for all State agencies. Two variable percentages are used to distribute expenses. Rent and utilities are calculated according to the amount of warehouse space used per product category. Other expenses are distributed according to the percentage of items sold per product category.

The State Surplus Property Program administers, stocks, inventories, and markets surplus property for all State agencies, cities, counties, school districts and qualified nonprofit organizations. The Bureau also markets State surplus property to the public. The Bureau recovers its costs through a handling fee assessed on the sale value of the surplus property.

The Federal Surplus Property Program administers a non-stock program for all State agencies, cities, counties, school districts and qualified nonprofit organizations. This program recovers its costs through a percentage of the market value of the equipment.

Senator Gage
Page Two
May 5, 1988

Publications & Graphics Bureau (P&G)

This Bureau offers services in printing, duplicating, computerized typography, layout and design, graphic and illustrative art, forms design, photo-reprographics, binding and quick copy. The Bureau also is responsible for all printing and printing-related purchasing for State Government and offers printing coordination and specification writing to user agencies. The staff also operates the State's photocopier pool.

The Bureau bases its rates on a cost recovery basis.

Rent & Maintenance

The General Services Division staff provides the following services in the Capitol Complex: repair, maintenance, security and custodial. They also manage contracts providing additional services for the complex, including mechanical maintenance, pest control, elevator repair and garbage collection. The Division charges rental rates based on square footage figures to State agencies to recover its costs. The rental rates are specified in the appropriation bill of the session.

Mail & Messenger

The Central Mail Bureau provides mail service in the Capitol Complex. Users are billed for this service. Campus mail rates are charged State agencies for the collection, sorting and distribution of deadhead (Capitol Complex) mail. Agencies are also assessed actual postage costs, plus overhead, for the handling of outgoing mail (U.S. Postal Service or United Parcel Service). Finally, the Bureau has a contract with the U.S. Postal Service to operate the Capitol Post Office.

Computer Services

The Information Services Division provides the following services to State agencies: Central mainframe computer processing; shared statewide data communications network services providing access to the central mainframe; design, development and continuous maintenance support of data processing applications; data processing training and application development support, including data management (database) services; microcomputer and office automation support and consultation; record storage and microfilming services; data processing planning, coordination and control of equipment and software acquisitions; and disaster recovery facilities for critical data processing applications.

Senator Gage
Page Three
May 5, 1988

The Division recovers its costs through rates charged to user agencies. These rates are based on a comprehensive analysis of Division costs, overhead expenses, and utilization by agencies of the services provided.

Telecommunications

This Bureau is within the Information Services Division. It provides telecommunications equipment and services to most State agencies. These include telephone equipment and network (local and long distance, voice and data) services for the agencies. The Bureau purchases and/or leases equipment and services from a variety of vendors and provides these facilities to the user agencies. To recover the cost of buying and/or leasing equipment and services, the Bureau charges the agencies a monthly fee for their equipment and charges back the cost of network services.

Tort Claims (T/C)

The function of the Tort Claims Division is twofold. First, it must provide for the investigation, defense and payment of bodily injury and property damage claims incurred by all agencies, officers and employees of the State of Montana under Article II, Section 18, Constitution of Montana, and the Montana Tort Claims Act. Second, the Division must assess the fire, casualty and bond risks of the State for all State owned buildings, equipment, fixtures, boilers, aircraft, cash and securities, etc., and provide either commercial or self-insurance protection for the financial loss of such property.

The Division serves all State agencies. Agencies are billed actual costs for commercial insurance. Language was included in the appropriation bill of the session that allows the Division to expend available self-insurance reserves and revenues to pay any deficit that may be incurred for property or liability insurance premiums due and payable for the biennium.

The self-insurance premiums are allocated to agencies on a five-part billing formula that relates to the current actuarial report. The allocation formula is based on several reasonable exposure bases (amounts of money appropriated and number of employees) and loss statistics (number of claims and incurred amounts on reported claims).

Professional Development Center (PDC)

This Center is a Bureau within the State Personnel Division. The Bureau provides central coordination for general training

Senator Gage
Page Four
May 5, 1988

activities throughout State government. The program focuses on creating a better trained State work force that is current on rapidly changing laws and technology. Centralized training allows the State to take advantage of its volume to provide several agencies with the same training at low costs. All State agencies are offered this service.

Architecture & Engineering (A&E)

The function of this Division is to handle State building construction in a functional and aesthetic manner and at an affordable cost. The staff is responsible for contract administration, bid letting and supervision of architects and engineers during construction of buildings for the State. The Long Range Building Program is prepared by this Division.

The Division serves all State agencies. Under Section 18-2-105 (6), MCA, the Division may assess a fee against monies available for construction projects to cover the cost of supervision. This fee is only assessed against non-Capital Projects Fund projects (Long Range Building Program) and has been figured at 1 percent of the project construction cost.

On-Line Entry and Edit

This function is not included on the chart. By FY 90, the Accounting Division will implement an on-line system for entering information into the State's accounting system. Currently, the Accounting Division (which is general funded) pays the cost of data entry for most State agencies to input information into the accounting system (SBAS). On-line entry and edit will provide a means of charging SBAS data entry costs to the agencies responsible for incurring those costs. This method will charge all funding sources and not just the general fund.

I hope this information will be helpful to you.

Sincerely,



ELLEN FEAVER
Director

Attachment

AGENCIES RECEIVING SERVICE

	P & S	P & G	Rent/ Main.	Mail/ Mess.	Comp. Serv.	Tele.	I/C	P/D	R & E
Administration, Dept. of	X	X	X	X	X	X	X	X	X
Agriculture, Dept. of	X	X	X	X	X	X	X	X	X
Commerce, Dept. of	X	X	X	X	X	X	X	X	X
Education									
Bd. of Public Education	X	X		X		X	X	X	X
Comm. of Higher Ed.	X	X		X	X	X	X	X	X
University of Montana	X	X			X	X	X	X	X
Mt. State University	X	X			X	X	X	X	X
Montana Tech	X	X			X	X	X	X	X
Eastern Mt. College	X	X			X	X	X	X	X
Northern Mt. College	X	X			X	X	X	X	X
Western Mt. College	X	X			X	X	X	X	X
School for Deaf & Blind	X	X			X	X	X	X	X
Montana Arts Council	X	X	X		X	X	X	X	X
Montana State Library	X	X	X		X	X	X	X	X
Historical Society	X	X	X		X	X	X	X	X
Bd of Regents: Higher Ed	X	X		X	X	X	X	X	X
Billings Vo-Tech	X	X			X	X	X	X	X
Butte Vo-Tech	X	X				X	X	X	X
Great Falls Vo-Tech	X	X				X	X	X	X
Helena Vo-Tech	X	X		X		X	X	X	X
Missoula Vo-Tech	X	X				X	X	X	X
Elected Officials									
Governor's Office	X	X	X	X	X	X	X	X	X
Secretary of State	X	X	X	X	X	X	X	X	X
Comm. of Pol. Practices	X	X	X	X	X	X	X	X	X
State Auditor	X	X	X	X	X	X	X	X	X
Super. of Pub. Instr.	X	X	X	X	X	X	X	X	X
Family Services, Dept. of	X	X		X	X	X	X	X	X
Fish, Wildlife, & Parks	X	X	X	X	X	X	X	X	X
Health & Environ. Science	X	X	X	X	X	X	X	X	X
Highways, Dept. of	X	X		X	X	X	X	X	X
Institutions, Dept. of									
Central Office	X	X	X	X	X	X	X	X	X
Mt. Development Center	X	X			X	X	X	X	X
Center for the Aged	X	X			X	X	X	X	X
Eastmont Training Ctr.	X	X			X	X	X	X	X
Mt. State Prison	X	X			X	X	X	X	X
Swan River Youth Camp	X	X			X	X	X	X	X
Veterans' Home	X	X			X	X	X	X	X
Bd. of Pardons	X	X				X	X	X	X
Mt. Youth Treat. Ctr.	X	X				X	X	X	X
Judiciary			X	X	X	X	X	X	X

----- AGENCIES RECEIVING SERVICE -----

	P	8	S	P	8	G	Main.	Mass.	Serv.	Tele.	F'd	PM	M	et
Justice, Dept. of														
Crime Control Comm.	X		X	X			X	X	X	X	X	X	X	X
Highway Traffic Safety	X		X	X			X	X	X	X	X	X	X	X
Dept. of Justice?	X		X	X			X	X	X	X	X	X	X	X
Labor & Industry														
Labor Standards Div.	X		X	X			X	X	X	X	X	X	X	X
Employment Security Div.	X		X	X			X	X	X	X	X	X	X	X
Workers' Comp. Div.	X		X	X			X	X	X	X	X	X	X	X
Legislative Branch														
Legislative Auditor	X		X	X			X	X	X	X	X	X	X	X
Leg. Fiscal Analyst	X		X	X			X	X	X	X	X	X	X	X
Legislative Council	X		X	X			X	X	X	X	X	X	X	X
Envir. Quality Council	X		X	X			X	X	X	X	X	X	X	X
Consumer Counsel	X		X	X			X	X	X	X	X	X	X	X
Livestock, Dept. of	X		X	X			X	X	X	X	X	X	X	X
Military Affairs, Dept. of	X		X	X			X	X	X	X	X	X	X	X
Natural Resources & Cons.	X		X	X			X	X	X	X	X	X	X	X
Public Serv. Reg., Dept.	X		X	X			X	X	X	X	X	X	X	X
Revenue, Dept. of	X		X	X			X	X	X	X	X	X	X	X
Social & Rehab. Services	X		X	X			X	X	X	X	X	X	X	X
State Lands, Dept. of	X		X	X			X	X	X	X	X	X	X	X

MACO

REPORT OF

THE MACo CONSTITUTION REVISION COMMITTEE

Members: Ray White, Gallatin Co., Chairman; Dave Fuller and Linda Stoll-Anderson, Lewis and Clark Co.; Ray Harbin, Lake Co.; Bob Phillips, Fergus Co. and MACo President; Ann Mary Dussault, Missoula Co.; Norm Starr, Sweet Grass Co.; Alvin Torske, Big Horn Co.; Byron Bayers, Madison Co. and Jim McCauley, Jefferson Co.

The Committee, based on review, study and input from considered experts, has come to recognize the following essentials in regard to the current political climate in Montana.

1. There are significant issues which the State of Montana and its 56 counties must address and which may ultimately need constitutional solutions so as to resolve the questions inferred.

2. In recognition of this there are various methods available to the citizens of the State of Montana to bring about constitutional revision. These methods are:

- a. A full constitutional convention resulting from an affirmative vote of the people in the general election scheduled for 1990 or

- b. Citizen utilization of the amendatory process as set forth in the constitution itself by way of citizen initiative and legislative referendum.

It is the committee's considered recommendation that the Montana Association of Counties:

1. Seek further delineation and clarification of the issues facing the citizens of the State of Montana which may require revision of the state's constitution. Said issues include but are not limited to welfare reform, education funding, tort reform, workers' compensation costs, legislative reorganization and reform and water as a property right.

2. Not endorse the full constitutional convention as it will be presented to the voters in 1990.

3. Endorse continued utilization of initiative and referenda for purposes of achieving constitutional change.

Finally, it is the committee's recommendation that the issues before us warrant continued review and study. It is therefore the committee's recommendation to the members of the association that the MACo Constitution Revision Committee be reaffirmed and that Association president with appointment powers appoint a committee to continue the review and study called for herein and report back to the members of the association at the annual meeting in 1989. It is further recommended that said committee keep members of the association informed as to possible

constitutional issues, reform and change by way of monitoring actions throughout the state and at the legislative level.

It is to be noted that the Committee considered both judicial reorganization and property assessment and taxation. Neither are included in the final report. The issue of judicial reorganization while considered initially was determined "better left" to a Judicial Reorganization Commission or State Blue Ribbon Commission. The issue of property assessment and taxation is deferred for judgement to the MACo/DOR Liaison Committee and Associations General Membership.

Based upon a review of issues, the Committee does identify and recommend for the future consideration the following:

I. ISSUE: Welfare Reform

PROBLEM STATEMENT: With an apparent increase in welfare case loads and resultant increase in overall costs, it is necessary to develop a financially manageable program by more narrowly defining eligibility, and while doing so being cognizant of the "equal protection clause," Article II, §4, of the state constitution.

DISCUSSION POINTS: It would seem debatable whether a constitutional amendment is necessary. Legislative initiative in defining employability and eligibility criteria may be sufficient. The question of economic assistance determination will be on the ballot in November 1988. If passed this may give the legislature greater discretion in providing economic assistance and social and rehabilitative services to those in need through the establishment of eligibility criteria for programs and services as well as the duration and level of benefits and services.

II. ISSUE: Education Funding

PROBLEM STATEMENT: The state constitution Article X, § 1 establishes that "Equality of education opportunity is guaranteed to each person of the state." At issue is this "fundamental right" weighted against the ability to equally fund essential education.

DISCUSSION POINTS: First and foremost the solution is to be found in legislation establishing a constitutionally sound funding mechanism for public education. Short of legislative action constitutional revision would be necessary if and only if it was determined to somehow "limit" educational opportunity.

III. ISSUE: Tort Reform

PROBLEM STATEMENT: Skyrocketing insurance costs seem to be predicated upon such things as contingency fees, non-economic damage awards, joint and several liability, frequency of lawsuits, and medical malpractice awards, all of which serve to drive up

costs at a time when we need to control costs.

DISCUSSION POINTS: The question of "full legal redress" is at the heart of the debate as to whether liabilities can be statutorily limited. If tort reform is viewed as the solution to the problem then it is necessary and sufficient to constitutionally revise considerations for "full legal redress" thereby allowing the legislature to limit liabilities, establish awards, and so on.

IV. ISSUE: Workers' Compensation Costs

PROBLEM STATEMENT: At issue is the ever increasing cost of workers' compensation to employers. This is attributed to an expansion of allowable claims for injury, and seemingly unlimited court sanctioned set of awards.

DISCUSSION POINTS: If the issues of uncontrollable costs and contingent liabilities are real, it is so in reference to "full legal redress" as identified earlier in regard to tort reform. However, the legislature is not limited in its authority to enact statutes spelling out the specifics of full legal redress as illustrated by actions taken during the 1987 legislative session wherein the awards were substantially altered pursuant to SB 315.

V. ISSUE: Legislative Reorganization and Reform

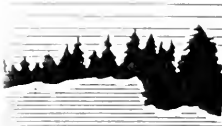
PROBLEM STATEMENT: The legislature is hindered in its ability to manage the affairs of the state due to its being structurally unwieldy and the fact that it only meets in odd numbered years as opposed to annually.

DISCUSSION POINTS: If size is a relevant factor, the legislature has the authority to determine size within the range of 80 to 100 House members, and 40-50 Senate members (Article V, §2). Any proposal outside of this range would require constitutional revision. Further if annual sessions were desired a revision of the constitution would be required. (Article V, §5)

VI. ISSUE: Water as a Property Right

PROBLEM STATEMENT: Montana is a water rights state insofar as the Constitution guarantees rights to the use of water for beneficial purposes. It is argued that this right is being eroded under the existing water rights administration and adjudication.

DISCUSSION POINTS: The legislature is empowered to administer, control, and regulate water rights. Therefore, the problem is a result of the legislature's administration of water rights. Constitutional revision is not necessary. It is sufficient to suggest that the legislature has it within its existing constitutional authority to address the issue.



C · D · P · M

Chemical Dependency
Programs of Montana, Inc.
36 S. Last Chance Gulch, Suite A
Helena, Montana 59601
(406) 443-1160

September 13, 1988

Mr. Don Pratt
Legislative Reorganization and Improvement Commission
c/o Legislative Council
Capitol Building
Helena, Montana 59624

Dear Don:

It is my understanding that during its meeting on August 18 and 19, the Legislative Reorganization and Improvement Commission recommended amendment of appropriate sections of the Montana Code Annotated dealing with State Special Revenues to remove any earmarking of revenue to defray particular costs of an agency program or function of state government.

I would appreciate receiving a copy of any background information or research that was done in support of this proposal. Also, if you can give me any other information or insight on this proposal, I would appreciate it.

I am also interested in knowing the procedure to be followed from this point in terms of public hearings or comments on these recommendations and the actual drafting of proposed legislation.

Thank you in advance for your assistance.

Sincerely,

ROSE M. HUGHES
Executive Director

RMH:cc



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE NORM WALLIN

HELENA ADDRESS
1315 BROADWAY
HELENA MONTANA 59601
PHONE (406) 442-5916

HOME ADDRESS
1422 SPRINGCREEK DRIVE
BOZEMAN MONTANA 59715
PHONE (406) 566-9167

COMMITTEES
BUSINESS & LABOR
LOCAL GOVERNMENT
CHAIRMAN

June 21, 1988

Legislative Reorganization and Improvement Commission
Room 312'A State Capitol
Helena, Mt. 59620

Dear CommitteeMembers:

I appreciate the effort and thought that is going in to solving the hectic scheduling and operation of the legislature. The question-
aire I am returning to you is quite complete.

However, there is one time-consuming part of the process that seems not to be addressed. I refer to the unlimited amount of time allowed for debate on bills on second reading. I think we have all seen the same people get up on every controversial bill and speak in order, hopefully, to get their name in their home town paper.

Could we adopt something similar to the rule in the National Congress to close off debate. I think they call it invoking cloture. Perhaps the spelling is wrong but I hope you can understand that I mean that there should be a time limit placed on these debates, except for time spent on the floor on the final appropriation bill. Most individuals have their minds set on their vote prior to debate on these bills and little or nothing is accomplished by going on and on and on to satisfy the egos of some verbose people.

Sincerely,

Norm Wallin
Norm Wallin

FISCAL NOTE ANALYSIS
July 5, 1988 Meeting

Those in attendance:

Dave Hunter, Budget Office
Mary McCullough, Budget Office
Rod Sundsted, Budget Office
Bob Person, Legislative Council
Roland Don Pratt, LRIC
Judy Rippingale, Legislative Fiscal Analyst
Scott Seacat, Legislative Auditor
Bobby Spilker, Chief Clerk of House of Representatives
Bonnie Wallem, Secretary of Senate

After a thorough discussion of the fiscal note procedures and their relationship to the concerns expressed by the members of the Commission, the following was agreed upon:

The current system of the Legislative Council determining those bills that have fiscal impact is working. When this determination is made, three copies of a bill are referred to the Budget Office. When the request for a fiscal note is made by either the Speaker of the House or the President of the Senate, the process is then initiated and the six-day requirement begins.

During the last session, there were 600 requests for fiscal notes. The majority of these requests were concentrated in the first 40 days of the session. The problem apparently is when there are substantial amendments made to the bill that affect the fiscal note. There is no formal procedure whereby an amended fiscal note is automatically requested. The committee focused their attention on this matter and came up with the following recommendations:

- 1) Earlier introduction deadline of revenue/appropriation bills;
- 2) Formal procedure for request of fiscal notes when amendments substantially change the bill;
- 3) The committee chairmen should be informed to request amended fiscal notes through the leadership to the budget office.

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__ BILL NO. __

INTRODUCED BY _____

BY REQUEST OF the legislative reorganization and improvement
commission _____

A Bill for an Act Entitled: "An Act defining a legislative day
for purposes of article V section 6 of the montana constitution;
revising the method of computing legislator's compensation by
removing the computation based on a legislative day; granting
increased compensation and expense reimbursement to legislative
leadership; amending sections 5-2-301 and 5-2-302, mca; and
providing effective dates and retroactive applicability."

BE IT ENACTED

NEW SECTION :

Section 1. Legislative day -- journals to reflect. (1) For
purposes of Article V, section 6 of the Montana Constitution, a
legislative day is:

(a) a day on which either house of the legislature is
convened in session; or

(b) a day on which any standing committee of either house of
the legislature meets, provided that both houses of the
legislature have convened in session during the calendar week in

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which the standing committee meets.

(2) The journal of each house of the legislature must reflect standing committee meetings and the receipt of bills and messages in the office of the chief clerk of the house of representatives or the secretary of the senate on any legislative day on which neither house of the legislature convenes in session.

Section 2. Section 5-2-301, MCA, is amended to read:

" 5-2-301. Compensation and expenses for members while in session. (1) Legislators are entitled to a salary commensurate to that of six times the daily rate of a grade 8, step 2, classified state employee in effect when the regular session of the legislature in which they serve is convened under 5-2-103 for ~~those days~~ each calendar week during which the legislature is in session. The president, the majority leader, and the minority leader of the senate, and the speaker, the majority leader, and the minority leader of the house shall receive an additional ~~\$5 a day~~ \$30 a week in salary for ~~those days~~ each week during which the legislature is in session.

(2) Legislators may serve for no salary.

(3) Legislators are entitled to \$50 a day, 7 days a week, during a legislative session, as reimbursement for expenses incurred in attending a session. The president, the majority leader, and the minority leader of the senate, and the speaker, the majority leader, and the minority leader of the house are

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entitled to \$55 a day, 7 days a week, during a legislative session, as reimbursement for expenses incurred in attending a session. Expense payments shall stop when the legislature recesses for more than 3 days and shall resume when the legislature reconvenes.

(4) Legislators are entitled to a mileage allowance as provided in 2-18-503 for each mile of travel to the place of the holding of the session and to return to their place of residence at the conclusion of the session.

(5) In addition to the mileage allowance provided for in subsection (4), legislators, upon submittal of an appropriate claim for such mileage reimbursement to the office of the legislative council, are entitled to:

(a) three additional round trips to their place of residence during each regular session; and

(b) such additional round trips as are authorized by the legislature during special session.

(6) Legislators are not entitled to any additional mileage allowance under subsection (4) for a special session if it is convened within 7 days of a regular session.

Section 3. Section 5-2-302, MCA, is amended to read:

"5-2-302. Compensation and expenses when legislature not in session. When the legislature is not in session, a member of the legislature, while engaged in legislative business with prior

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authorization of the appropriate funding authority, is entitled to:

- (1) a mileage allowance as provided in 2-18-503;
- (2) expenses as provided in 2-18-501 and 2-18-502; and
- (3) a salary equal to one full day's pay at the rate of a grade 8, step 2 classified state employee, ~~described in 5-2-301~~ for each 24-hour period of time (from midnight to midnight), or portion thereof, spent away from home on authorized legislative business. However, if time spent for business other than authorized legislative business results in lengthening a legislator's stay away from home into an additional 24-hour period, he may not be compensated for the additional day.

Section 4. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 5 , chapter 2, part 2, and the provisions of Title 5, chapter 2, apply to [section 1].

Section 5. Effective dates--retroactive applicability. (1) Section 1, subsection (3) of section 2, section 3, and this section are effective on passage and approval and apply retroactively within the meaning of 1-2-109 to all occurrences after December 1, 1988.

- (2) Subsection (1) of section 2 is effective January 1, 1990.

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-END-

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REFERENCES

Minutes: LRIC Meeting--1/16/88; 3/19/88; 4/8/88; 5/20/88;
6/16/88; 7/14/88; 8/18-19/88; 9/30/88; 10/21/88; and 11/34/88.

Staff Report: 4/18/88 Meeting

State of Montana Publications:

Legislative Improvement Committee Report--Nov., 1979;
Interim Committee on Legislative Improvement Report--
Nov. 1980;
Analysis of Earmarking Revenues and State Special Revenue
Accounts in Montana--Sept. 12, 1986.

Nevada Blue Ribbon Commission on Legislative Process Minutes--
1988.

National Conference of State Legislatures Publications:

Alaska Legislative Procedures Study--May 15, 1983;
Alaska House of Representatives Review--April 12, 1988;
Florida Joint Legislative Management Committee--March, 1986;
Legislative Fiscal Office Operations--December, 1987;
Mississippi Legislative Budget Process--March, 1988;
New Hampshire Joint Legislative Staff Agencies--April, 1988;
Wyoming Legislative Service Office--Nov., 1985;
Limiting Bill Introductions Re-examination.

